

**Presented to the KHPA Board
November 13, 2007**

**Proposed Recommendation: Delay the Assumption of Responsibility for
Health Care Purchasing Functions within Additional State Agencies**

Related Legislation: ***KSA 75-7405 (f)** At the beginning of the regular session of the legislature in 2008, the Kansas health policy authority shall submit to the legislature recommendations and an implementation plan for the Kansas health policy authority to assume responsibility for health care purchasing functions within additional state agencies, which may include (1) the department on aging, (2) the department of education for local education agencies, (3) the juvenile justice authority and the juvenile correctional institutions and facilities thereunder, and (4) the department of corrections and the correctional institutions and facilities thereunder.*

Background: As provided in the statute above, **KSA 75-7405 (f)**, the Kansas Health Policy Authority (KHPA) is scheduled to submit to the Kansas 2008 Legislature a recommendation to assume the responsibility for health care purchasing functions within additional state agencies.

The list of current responsibilities for KHPA includes the regular medical portion of the state Medicaid program, the MediKan program, the State Children's Health Insurance Program (SCHIP), the Working Healthy portion of the Ticket to Work Program, the Medicaid Management Information System (MMIS), the Restrictive Drug Formulary and the Drug Utilization Review Program, the State Employees Health Benefits Program, and the State Workers Compensation Self-Insurance Fund and Program.

In addition, with the unanimous passage of Substitute for Senate Bill 11 by the 2007 Legislature, KHPA was tasked with: 1) the development and analysis of initiatives and policies designed to increase access to affordable health insurance and to promote health of Kansans; 2) the design, development and implementation of the premium assistance program, Kansas Healthy Choices; 3) research and review the experience of other states in areas of Medicaid reform and a health insurance connector model; 4) draft legislative language for the proposed health care finance reform options; and 5) research several additional options to include health opportunity accounts, tax credits, and vouchers. Numerous meetings and presentations have been held throughout this past year to hear from the public regarding their concerns and suggestions for health reform. Members of the KHPA staff have been working with outside consultants since early summer to develop a number of health insurance reform options. Additionally, a number of options related to prevention and personal responsibility were recently developed and reviewed by the KHPA Board. The final health reform recommendations were recently submitted to the Joint Oversight Committee on Health Policy earlier this month, on November 1st.

Proposed Recommendation: The KHPA Board's recommendation is that the decision to assume the responsibility of health care purchasing functions within additional state agencies, as outlined in KSA 75-7405, would not be practical for the agency's beneficiaries and consumers. With the strong collaboration and coordination effort among KHPA's sister agencies (SRS, Aging, KDHE), there is no need to subsume those agencies' health care purchasing duties or related responsibilities at this time. The KHPA Board therefore approves the decision to not transfer any additional programs or services as outlined in KSA 75-7405 at this time.